GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:300
ANSWERED ON:22.03.2002
FOREIGN INSURANCE COMPANIES
AJAY SINGH CHAUTALA

Will the Minister of FINANCE be pleased to state:

(a) whether several foreign companies have started functioning in Indian Insurance sector;

(b) if so, the details thereof;

(c) the business done by these companies in terms of sum assured; and

(d) the extent to which Indian Insurance Companies are likely to be affected as a result thereof?

Answer

MINISTER OF FINANCE (SHRI YASHWANT SINHA)

(a) & (b) : Under the law, only an Indian insurance company can be registered with Insurance Regulatory and Development Authority (IRDA) for commencing insurance business in India. An Indian insurance company can have foreign equity upto 26%. IRDA has, so far, registered 17 insurance companies out of which 15 have joint ventures with foreign companies.

(c) IRDA has informed that upto February, 2002, new private sector insurance companies have underwritten insurance premium of Rs. 585.66 crores.

(d) With the advent of new private insurance companies, the insurance awareness has improved and the Life Insurance Corporation has registered record growth in the last financial year. The nationalised insurance companies have taken several steps to face the competition and are likely to register significant growth in their business in the current year.